

Message Text

UNCLASSIFIED

PAGE 01 GABORO 01034 01 OF 02 011828Z

50

ACTION AF-06

INFO OCT-01 ISO-00 OPIC-06 SP-02 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 XMB-04 L-03

H-02 AGR-10 IO-10 /084 W

----- 041471

R 011515Z AUG 75

FM AMEMBASSY GABORONE

TO USDOC WASHDC

INFO AMCONSUL JOHANNESBURG

SECSTATE WASHDC 6862

UNCLAS SECTION 1 OF 2 GABORONE 1034

E.O. 11652: N/A

TAGS: BEXP, BC

SUBJECT: POST-CONDUCTED MARKET RESEARCH - SEMI-ARID LAND
DEVELOPMENT TECHNICAL SALES SEMINAR

REF: A) STATE A-3830; B) GABORONE 932

1. SUMMARY: THIS REPORT IS BASED ON CONVERSATIONS WITH GOB OFFICIALS, IN THE MINISTRY OF AGRICULTURE AND NATIONAL DEVELOPMENT BANK, MAJOR DIRECT END USERS, AND INTERESTED POTENTIAL AGENTS/ DISTRIBUTORS. RESEARCH UNCOVERED RELATIVELY MODEST BUT GROWING MARKET FOR AGRICULTURAL EQUIPMENT AND CHEMICALS. CERTAIN INTERVIEWEES VOICED SOME DISSATISFACTION REGARDING LACK OF SOUTH AFRICAN INDUSTRY INTEREST IN ADEQUATELY SUPPLYING BOTSWANA'S AGRICULTURAL EQUIPMENT NEEDS. CHEMICALS ARE WELL SUPPLIED FROM SOUTH AFRICA AND VERY SMALL MARKET EXISTS HERE FOR STORAGE FACILITIES. GOB AND LARGE RANCHERS/GROWERS CONSTITUTE FAIRLY SMALL MARKET, ALTHOUGH NEWLY-ANNOUNCED GOB LAND POLICY (REF B) WILL ALMOST CERTAINLY INCREASE OPPORTUNITIES FOR U.S. SALES. HOWEVER, POTENTIAL AGENTS AND DISTRIBUTORS FEEL THERE IS GOOD MARKET HERE AND ARE QUITE INTERESTED IN HAVING DIRECT CONTACT WITH U.S. CORPORATIONS. IT IS THEREFORE RECOMMENDED THAT BOTSWANA BE INCLUDED AS A STOP FOR THIS SEMINAR. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GABORO 01034 01 OF 02 011828Z

2. BOTSWANA IS WELL SUITED FOR THIS TECHNICAL SALES SEMINAR. ABOUT 90 PERCENT OF THE PEOPLE ARE IN SOME WAY INVOLVED IN CATTLE RAISING AND/OR AGRICULTURE IN THIS SEMI-ARID COUNTRY. AT PRESENT, BOTSWANA IMPORTS CONSIDERABLE AMOUNTS OF FOOD FROM SOUTH AFRICA AND RHODESIA AND THE GOB IS URGING FARMERS TO PRODUCE MORE CROPS. BEEF, ALTHOUGH PRESSED HARD NOW BY DIAMONDS, REMAINS THE LARGEST EXPORT, WITH OVER DOLLARS 85 MILLION EXPORTED IN 1973, THE LAST YEAR FOR WHICH THERE ARE FIGURES. WHILE MINERALS WILL SOON OVERTAKE BEEF AS BOTSWANA'S MAJOR HARD CURRENCY EARNER, AGRICULTURE WILL, FOR THE FORESEEABLE FUTURE, REMAIN THE PRINCIPAL SUPPORT OF THE MAJORITY OF THE PEOPLE. THERE IS CURRENTLY NO MANUFACTURE HERE OF AGRICULTURAL EQUIPMENT, AGRICULTURAL CHEMICALS OR PRE-CUT AGRICULTURAL STORAGE FACILITIES, ALL OF WHICH ARE BROUGHT IN PRIMARILY THROUGH SOUTH AFRICAN IMPORTERS OR DIRECTLY FROM SOUTH AFRICAN MANUFACTURERS.

3. MARKET DIMENSIONS OF EQUIPMENT AND CHEMICALS: THE ANNUAL REPORT OF THE NATIONAL DEVELOPMENT BANK (NDB) SHOWS AGRICULTURAL LOANS OF DOLLARS 670,000 FOR 1974. THESE LOANS FINANCED PURCHASES OF FAM MACHINERY AND IMPLEMENTS, FERTILIZERS, INSECTICIDES, SEEDS, ETC. ACCORDING TO MANAGER OF NDB, LOANS FOR 1975 ARE RUNNING AT ABOUT THE SAME RATE AND HE SEES NO SLACKENING, BARRING A CLIMATIC REVERSE. THE MOST RECENT OFFICIAL GOB STATISTICS (1973) ON TOTAL IMPORTS ARE QUITE INCOMPLETE AND NOT VERY FINELY BROKEN DOWN. THE STATISTICS THAT COULD BE GATHERED ARE AS FOLLOWS:

A. TRACTORS: 220 TRACTORS WORTH APPROXIMATELY DOLLARS 1.5 MILLION WERE IMPORTED IN 1973. ONLY FIVE OF THESE TRACTORS COULD BE IDENTIFIED AS HAVING COME DIRECTLY FROM THE U.S. THE REMAINDER WERE IMPORTED FROM SOUTH AFRICA AND WERE A MIXTURE OF SOUTH AFRICAN, RHODESIAN, UK, FRG AND US TRACTORS. HOWEVER, THE COUNTRY OF ORIGIN IS NOT RECORDED SINCE THEY WERE ORDERED THROUGH SOUTH AFRICAN DEALERS AND THERE IS NO BREAKDOWN ON HOW MANY CAME FROM EACH COUNTRY. IT IS AGREED THAT TRACTORS MANUFACTURED IN SOUTH AFRICA AND RHODESIA CONSTITUTE THE BULK OF THE IMPORTS. ONE INTERVIEWER MENTIONED THAT ITALY IS MAKING A MAJOREFFORT IN EXPORTING AGRICULTURAL UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GABORO 01034 01 OF 02 011828Z

EQUIPMENT TO BOTSWANA. CATERPILLAR, MASSEY-FERGUSON, FORD AND AMERICAN MOTORS AGRICULTURAL DIVISIONS ARE REPRESENTED IN BOTSWANA AND JOHN DEERE TRACTORS CAN BE PURCHASED IN NEARBY MAFEKING, SOUTH AFRICA.

B. OTHER AGRICULTURAL DEVELOPMENTS: IN THIS CATEGORY, A SMALL PERCENTAGE OF THE EQUIPMENT IMPORTED WAS OF US ORIGIN. HOWEVER, TOTAL US VALUE WAS HIGH, ACCOUNTING FOR AT LEAST

DOLLARS 350 THOUSAND OF A TOTAL OF DOLLARS ONE MILLION. GOB
STATISTICS IN THIS CATEGORY ARE BROKEN DOWN IN DOLLARS AS
FOLLOWS:

OTHER AGRICULTURAL MACHINERY FOR SOIL PREPARATION - US 350,000

OTHER 520,000

PLOUGHS AND HARROWS - 90,000 (NO COUNTRY BREAKDOWN)

HARVESTING AND THRESHING MACHINES - 15,000 (NO COUNTRY BREAKDOWN)

AT LEAST ONE PLOUGH MANUFACTURER, ROME PLOUGH, IS CURRENTLY
REPRESENTED HERE.

C. AGRICULTURAL CHEMICALS: THE ONLY PRODUCTS WHICH COULD
BE IDENTIFIED IN THIS CATEGORY WERE FERTILIZERS AND INSECTICIDES
AND FUNGICIDES. IN 1973, APPROXIMATELY DOLLARS 90,000 WORTH
OF FERTILIZER WAS IMPORTED THROUGH SOUTH AFRICA (NO COUNTRY OF
ORIGIN DETERMINABLE). OF A TOTAL OF DOLLARS 20,000 OF PESTICIDES
AND FUNGICIDES, ABOUT DOLLARS 8,000 WAS CLEARLY OF US ORIGIN.

4. SALES POTENTIAL FOR EQUIPMENT AND CHEMICALS: ALTHOUGH
EMBOFF WAS UNABLE TO GET INTERVIEWEES TO MAKE PREDICTIONS ON
RATES OF GROWTH OF IMPORTS OF AGRICULTURAL EQUIPMENT AND CHEMI-
ALS, IT WAS GENERALLY AGREED THAT THE HIGH COST OF FOOD
IMPORTED FROM SOUTH AFRICA, INCREASING GOB EMPHASIS ON FOOD
PRODUCTION, AND LONGER-RANGE GOB PROJECTS IN THE WATER-RICH
OKAVANGO REGION IN THE NORTH WILL RESULT IN "STEADY GROWTH" OF
EQUIPMENT AND CHEMICAL IMPORTS. AMONG THOSE CATEGORIES
LISTED IN PARA II A OF ENCLOSURE 1 TO REF, THE PRIME CANDIDATES
FOR SALES HERE ARE TRACTORS, PLOWS, HARVESTERS, WEEDERS AND
IRRIGATION SYSTEMS. OUR MAJOR COMPETITORS IN EQUIPMENT,
WHOSE MARKET SHARE IS IMPOSSIBLE TO DETERMINE, ARE NOTED IN
PARA 3A OF THIS CABLE. THERE IS CERTAINLY A MARKET HERE FOR
TRACTORS, ACCORDING TO ONE MACHINERY IMPORTERS, WHO SAYS THAT
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 GABORO 01034 01 OF 02 011828Z

THE SOUTH AFRICAN MARKET IS TOO LARGE FOR SOUTH AFRICAN SUPPLIERS,
FORCING BOTSWANA IMPORTERS TO LITERALLY "BEG" SOUTH AFRICA
FOR EQUIPMENT. HE FEELS THAT BOTSWANA IMPORTERS WOULD BE
MOST HAPPY TO HAVE THE OPPORTUNITY TO HAVE DIRECT CONTACT WITH
U.S. TRACTOR EXPORTERS. UNDER PARA II B OF REF, THE BEST
SELLING CHEMICALS WOULD PROBABLY BE VARIOUS TYPES OF FERTILIZERS.
ACCORDING TO MANAGER OF ONLY BOTSWANA FIRM CURRENTLY DEALING
IN AGRICULTURE CHEMICALS, SHELL SOUTH AFRICA IS ADEQUATELY

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 GABORO 01034 02 OF 02 011839Z

50

ACTION AF-06

INFO OCT-01 ISO-00 OPIC-06 SP-02 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 XMB-04 L-03

H-02 AGR-10 IO-10 /084 W

----- 041616

R 011550Z AUG 75

FM AMEMBASSY GABORONE

TO USDOC WASHDC

INFO AMCONSUL JOHANNESBURG

SECSTATE WASHDC 6863

UNCLAS FINAL SECTION OF 2 GABORONE 1034

SUPPLYING BOTSWANA'S NEEDS AT THIS TIME. INTERVIEWEES OPINIONS OF US EQUIPMENT WERE UNIFORMLY POSITIVE, ESPECIALLY REGARDING QUALITY.

5. MARKET DIMENSIONS AND POTENTIAL FOR STORAGE FACILITIES:
UNTIL LAST YEAR WHEN THE AGRICULTURAL MARKETING BOARD WAS ESTABLISHED, THERE WERE NO SIGNIFICANT AGRICULTURAL STORAGE FACILITIES. THE MARKETING BOARD'S PROGRAM FOR ESTABLISHING SUCH FACILITIES HAS RESULTED IN CURRENT TOTAL OF 20 - 30,000 TONS OF STORAGE CAPACITY WITH ANOTHER TOTAL OF 14,000 TONS UNDER CONSTRUCTION. THESE FACILITIES, COSTING DOLLARS 150 PER TON, ARE SUPPLIED BY SOUTH AFRICAN MANUFACTURERS. MANAGER OF MARKETING BOARD ASSURED EMBOFF THAT HE HAD CAREFULLY CHECKED U.S. AND OTHER SUPPLIERS AND FOUND THAT SOUTH AFRICAN PRICES CONSIDERABLY CHEAPER. REGARDING FUTURE DEMAND FOR SUCH FACILITIES, MANAGER ESTIMATES APPROXIMATELY 40,000 TONS ADDITIONAL STORAGE TO BE CONSTRUCTED OVER NEXT THREE YEARS. THIS FIGURE REPRESENTS 50 PERCENT OF ANNUAL CONSUMPTION IN BOTSWANA. POTENTIAL FOR U.S. SALES OF STORAGE FACILITIES WILL OBVIOUSLY DEPEND ON WHETHER USDOC SOUNDING CAN LOCATE U.S. FIRM ABLE TO SUPPLY SUCH FACILITIES CHEAPER THAN SOUTH AFRICAN SOURCES.

6. MAJOR POTENTIAL END USERS: POTENTIAL END USERS FOR
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GABORO 01034 02 OF 02 011839Z

SEMINAR'S THREE GROSS PRODUCT CATEGORIES -- EQUIPMENT,

CHEMICALS AND STORAGE FACILITIES -- ARE AS FOLLOWS:

A. GOVERNMENT: GOB'S ROLE IN ESTABLISHING STORAGE FACILITIES WAS COVERED IN PARA 5. IN THE FIELDS OF EQUIPMENT AND CHEMICALS, GOB SHOULD REPRESENT POSSIBILITY OF SALES. PARA-STATAL BOTSWANA DEVELOPMENT CORPORATION (BDC) RUNS COUNTRY'S LARGEST NON-ANIMAL FARM. ALTHOUGH BOTSWANA IS A CATTLE COUNTRY, GOB IS ENCOURAGING CROP PRODUCTION AND WILL UNDOUBTEDLY UNDERTAKE ADDITIONAL PROJECTS. THE GOB'S NEWLY-ANNOUNCED LAND POLICY IS DESIGNED TO PROMOTE IMPROVED RANCHING AND FARMING TECHNIQUES, MANY OF WHICH WILL BE MECHANIZED. THIS POLICY WILL ENCOURAGE THE ESTABLISHMENT OF LARGER, MORE EFFICIENT RANCHES AND FARMS WHICH WILL REQUIRE MACHINERY AND CHEMICALS.

B. DIRECT END USERS: THERE ARE A NUMBER OF LARGE RANCHERS SCATTERED THROUGHOUT BOTSWANA WHO SHOULD PRESENT OPPORTUNITIES FOR DIRECT SALES OF MACHINERY AND CHEMICALS, PARTICULARLY CATTLE-RELATED PRODUCTS. EMBASSY HAS COMPILED LIST OF LARGE AGRI-BUSINESS FIRMS AND WILL INCLUDE THESE RANCHERS AND GROWERS IN SEMINAR AUDIENCE.

C. AGENTS/DISTRIBUTORS: THERE HAS BEEN CONSIDERABLE ENTHUSIASM FOR MISSION FROM FIRMS CONTACTED BY EMBASSY. ALTHOUGH MOST AGRICULTURAL NEEDS NOW SUPPLIED BY SOUTH AFRICANS, BOTSWANA IMPORTERS WERE QUITE ANXIOUS TO HAVE OPPORTUNITIES FOR DIRECT TRADE WITH U.S. AGRIBUSINESS EXPORTERS. BELOW IS A PARTIAL LIST OF POTENTIAL AGENTS WHO EXPRESSED INTEREST IN REPRESENTING EQUIPMENT AND/OR CHEMICALS. THERE ARE SEVERAL STEEL FABRICATION AND BUILDING FIRMS WHO COULD BE CONTACTED SHOULD STORAGE FACILITY AGENTS BE REQUIRED:

J. HASKINS AND SONS (PTY) LTD.

PO BOX 222, GABORONE

R. COULTER, MANAGER

(EQUIPMENT AND CHEMICALS)

CLIFF ENGINEERING BOTSWANA

PO BOX 282, GABORONE

D. HEAVEN, MANAGING DIRECTOR

(EQUIPMENT)

MOTOR CENTRE (BOTSWANA)(PTY). LTD.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GABORO 01034 02 OF 02 011839Z

PO BOX 786, GABORONE

A.H. HUSEIN, MANAGING DIRECTOR

(EQUIPMENT; CURRENTLY REPRESENTING MASSEY-FERGUSON,

HOPING FOR M-F BOTSWANA FRANCHISE)

BOTSWANA EARTHMOVING MACHINERY CO (PTY). LTD.

PO BOX 137, FRANCISTOWN

C. HELLINGER, MANAGING DIRECTOR

(EQUIPMENT; CURRENTLY REPRESENTING ROME PLOUGH,

CATERPILLAR, HYSTER AND OSHKOSH)
INDUSTIRIAL AND MINING SUPPLIES (PTY) LTD.
PO BOX 255, FRANCISTOWN
(CHEMICALS AP POSSIBLY EQUIPMENT)
PEG MANUFACTURERS AND DISTRIBUTORS (BOTSWANA)
(PTY) LTD.
PO BOX 775, GABORONE
C. EVANS, MANAGING DIRECTOR
(EQUIPMENT AND POSSIBLY CHEMICALS; EVANS FORMERLY
INTERNATIONAL HARVESTOR TRACTOR SERVICE SUPERVISOR;
ALTHOUGH PEG MANUFACTURERS NOW IN PLASTCIS,
EVANS RETAINS INTEREST IN EQUIPMENT, INTERESTED IN
DISCUSSING AGRICULTURAL CHEMICALS)
ARCO ENGINEERING AND MOTORS
PO BOX 25, LOBATSE
(EQUIPMENT; CURRENTLY REPRESENTING AMERICAN MOTORS
AND JEEP AGRICULTURAL DIVISION, S.A.M.E. TWO AND
FOUR WHEEL DRIVE TRACTORS AND TIGER IMPLEMENTS)
KALAHARI FORD
PO BOX 262, GABORONE
L.F. HODDY, MANAGING DIRECTOR
(EQUIPMENT; CURRENTLY REPRESENTING FORD AGRICULTURAL
DIVISION; NOW SELLING ABOUT ONE TRACTOR PER MONTH
HERE; ALSO SELLING PLOUGHS AND OTHER AGRICULTURAL
IMPLEMENTS)
TATI AGRIC LTD.
PO BOX 363, GABORONE
J. MPETE, MANAGER
(CHEMICALS; CURRENTLY DEALING PRIMARILY IN
VETERINARY REQUIREMENTS)

7. LISTS OF ASSOCIATIONS AND PUBLICATIONS: THE ONLY AGRI-
CULTURAL ASSOCIATION IS THE BOTSWANA AGRICULTURAL UNION,
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 GABORO 01034 02 OF 02 011839Z

PO BOX 892, GABORONE; THE BAU'S PRESIDENT IS H. LEE
AND THE SECRETARY IS L. PINSHOW. THE MONTHLY "AGRINEWS" IS
PUBLISHED BY THE MINISTRY OF AGRICULTURE AND IS BOTSWANA'S
ONLY SUCH PUBLICATION. IT ACCEPTS NO ADVERTISING, WHICH WOULD
HAVE TO BE DONE IN THE BOTSWANA DAILY NEWS PUBLISHED MONDAY
THROUGH FRIDAY.
BOLEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GABORO01034
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750266-0672
From: GABORONE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750887/aaaacyug.tel
Line Count: 323
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE A-3830, 75 GABORONE 932
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 DEC 2002 by ReddocGW>; APPROVED <09 MAR 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POST-CONDUCTED MARKET RESEARCH - SEMI-ARID LAND DEVELOPMENT TECHNICAL SALES SEMINAR
TAGS: BEXP, BC
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006